

City US Federal Student Loans Refund Policy

US federal law stipulates that if a student withdraws from their programme of study, City must complete a Return to Title IV (R2T4) calculation and ensure any 'unearned' US student loan (USL) funds are returned to the US Department of Education (USDOE). For R2T4 purposes, a Leave of Absence (LOA) for longer than 180 days or an 'unapproved LOA' is also classified as a withdrawal. When considering US Federal Loans City is classed as an attendance taking institution. A LOA is a temporary interruption in a student's programme of study and is equivalent to a suspension/dormant period. The policy may be applied in other circumstances e.g. early graduation.

This policy covers the following topics:

- City's procedure for treatment of US Federal Aid when a student withdraws or takes LOA;
- City's tuition fee refund policy;
- Requirements regarding the treatment of US Federal Aid when a student withdraws or takes LOA.

The policy should enable students to:

- Understand the treatment of US Federal Aid upon withdrawing or a LOA;
- Estimate how much US Federal Aid the student can retain and the value the student will need to return;
- Understand the difference and interaction between the University's refund policy and the R2T4 requirements;
- Understand student liability for tuition fees due to R2T4 compulsory procedures;

City's Withdrawal or Leave of Absence (LOA)/Suspension/Dormant

Students should follow the withdrawal or suspension process within their School and discuss the matter with their course officer and personal tutor. Once the related procedures have been completed the student's record will be updated. Students funding their studies through US Federal Aid loans are required to inform the City Student Funding Team of their withdrawal at the same time as notifying their School.

Students' liability for unpaid tuition fees

The amount of US Federal Aid due for return as a result of a withdrawal is calculated independently of the tuition fee liability charged by the University. Where a student has used US Federal Aid to pay their tuition fees and a refund of this funding is due resulting in an underpayment of tuition fees based on City's refund Policy.

<http://www.city.ac.uk/study/postgraduate/fees/paying-fees-and-refunds>) the student will be liable to pay City for the remaining balance of tuition fees. The Income Team, Finance Department will contact students in these cases directly.

Timeframes and treatment of US Federal Aid

When a student withdraws, the Student Funding Team will calculate the amount of student loans that has been earned up to that point, [using a Return of Title IV \(R2T4\) calculation as provided by the US Department of Education](#). The processing of the funds received for tuition fees will be processed by City's Finance Department.

The amount of loan funds earned is calculated as follows:

Number of study days completed by student <hr style="width: 80%; margin: 5px auto;"/>	=	percentage of USL earned
Total number of study days in payment period		

Payment periods 2021/22:

	Loan Period	Total number of days	University scheduled Holidays	Study days (excluding scheduled holidays)	Days required to retain payment for period	Attendance date required to retain payment for period
Loan Period 1:	21 Sep 2021 – 24 Jan 2022	125	7 Dec 2020 to 2 Jan 2021 (26 days)	99	60 days	18 Nov 2021
Loan Period 2:	25 January 2022 – 09 May 2022	104	5 Apr 2021 to 1 May 2021 (26 days)	78	46 days	11 Mar 2022
Loan Period 3:	10 May 2022 – 19 Sep 2022 (masters/research)	132	N/A	146	87 days	4 Aug 2022
	10 May 2022 – 30 Jun 2022 (undergraduates)	51	N/A	60	36 days	14 Jun 2022

The University will return unearned US Federal Aid used by the student to pay City tuition fees as soon as possible but no later than 45 days from the determination of a student's withdrawal. The student will be notified by email. City is required by US Federal law to inform the National Student Loan Data System (NSLDS) of the student's withdrawal which will trigger all US Federal Aid going into repayment (accept for [Federal loans which have a grace period](#)), the US Loan Servicer will contact students directly.

US Federal Aid will be returned in the following order:

1. Federal Direct Unsubsidized loans (undergraduates only)
2. Federal Direct Subsidized loans
3. Federal PLUS loans

The date of withdrawal used for R2T4 will normally be the date that the City School has determined as the last date the student attended the course.

If the student has attended for more than 60% of the payment period no refund is due. In all cases the student will be notified by email.

Post-withdrawal Disbursements

If the student loan value disbursed to the University or student before withdrawal or LOA is less than the earned value no further student loan funds will be disbursed.

Treatment of Title IV funds when a student takes approved LOA for less than 180 days

In order to qualify as an approved LOA for the purposes of federal aid (avoiding the need for the University to perform a R2T4 calculation), the LOA must meet the conditions outlined below:

- the LOA must be approved by the University;
- the situation described as the reason for the LOA must be one that leads to a reasonable expectation that the student will return from the LOA within the allowed time frame;
- the LOA, together with any additional leaves of absence, must not exceed a total of 180 days in any 12-month period, including non-study days;
- the student must resume at the same point in the academic programme when the LOA began;
- the LOA must be requested in advance, unless unforeseen circumstances prevent the student from doing so (e.g. injury or illness);

A student granted a LOA that meets the criteria stated above is not considered to have withdrawn, and no R2T4 calculation is required. During a LOA the student will not be eligible for any disbursements of Federal Student Aid. A student who is granted an approved LOA maintains in-school status for Title IV loan repayment purposes. The start date of the LOA for federal loans purposes is the date that the LOA comes into effect.

If a student does not return from an approved LOA, or the LOA does not qualify as an approved LOA, the student will be deemed to have withdrawn for the purposes of federal aid the R2T4 procedure will be actioned. [One possible consequence of not returning from a LOA is that a student's grace period for Title IV program loan repayments maybe exhausted.](#) The date of withdrawal will be treated as the date that the approved LOA began.